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Top Secret



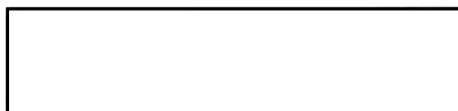
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Economic Intelligence Weekly

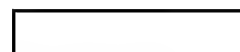
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31 May 1973

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ECONOMIC INTELLIGENCE WEEKLY

Western Emergency Aid to Chile

Several Western governments have decided to help the Allende government by filling some of its most immediate supply needs. Food and fuel shortages have been approaching the critical stage, adding to already marked political turbulence. Emergency shipments from Mexico, Argentina, and Western Europe now promise to lessen consumer hardships in the upcoming winter months and probably foreshadow a more forthcoming response from Chile's creditors than in the past.

Mexico's President Echeverria himself apparently decided to honor Allende's urgent plea for help.

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[redacted] Mexico has sent specialists to repair Chile's two major refineries. [redacted] that Mexico City is allowing Santiago to use a \$20 million export credit previously extended to it to finance grain purchases in the United States.

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Argentina's emergency help includes up to \$10 million worth of food and 120,000 barrels of diesel fuel on credit. Buenos Aires previously had granted credits only on manufactured goods exports, demanding commercial terms for sales of its easily marketable grains and meat.

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[redacted] Bonn reportedly has offered Santiago a \$37 million aid package, including \$11 million in export credit, \$7 million in technical assistance, and long-term development aid.

The generous response of these Western nations undoubtedly has come as a welcome surprise to Allende. In contrast, Santiago is bitter about inadequate handouts from Communist countries. Despite past disappointments, a Santiago mission presently is in Moscow seeking \$220 million in balance-of-payments assistance.

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